Disclaimer: This is a Japanese-English translation of the summary of financial statements of the Company produced for your convenience. Since no auditor audited this report, officially only the Japanese version is assumed to be the summary of financial statements of the Company. This summary does not constitute any guarantee and the Company will not compensate any losses and/or damage stemming from actions taken based on these statements. Should there be any discrepancy between the Japanese and English versions, the Japanese version is assumed to be correct.

January 10, 2025

Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending May 31, 2025 <Japanese GAAP>

Listed company: INTER ACTION Corporation
Listed stock exchange: Tokyo
Securities code: 7725
URL: https://www.inter-action.co.jp/en/
Representative: Nobuo Kiji, CEO & President
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Telephone number: +81-45-263-9220
Scheduled date to file semi-annual securities report: January 14, 2025
Scheduled date to commence dividend payments: February 17, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (For Institutional Investors, Analysts)

(Amounts of less than one million yen are truncated)

1. Consolidated Financial Results for the Cumulative Second Quarter of the Fiscal Year Ending May 31, 2025 (June 1, 2024 to November 30, 2024)

(1) Consolidated operating results (Cumulative)

(% figures show year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended November 30, 2024	4,044	35.8	1,182	200.7	1,175	167.7	825	206.0
Six months ended November 30, 2023	2,979	(1.8)	393	(36.0)	439	(33.5)	269	(37.1)

(Note) Comprehensive income: Six months ended November 30, 2024: ¥815 million / 177.2%
Six months ended November 30, 2023: ¥294 million / (32.5)%

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended November 30, 2024	75.55	—
Six months ended November 30, 2023	24.83	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2024	14,039	11,754	83.7
As of May 31, 2024	13,645	11,036	80.9

(Reference) Shareholders' equity: As of November 30, 2024: ¥11,754 million
As of May 31, 2024: ¥11,036 million

2. Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended May 31, 2024	–	10.00	–	25.00	35.00
Fiscal year ending May 31, 2025	–	10.00			
Fiscal year ending May 31, 2025 (Forecast)			–	25.00	35.00

(Note) Amendment to forecasts of dividends recently announced: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending May 31, 2025 (June 1, 2024 to May 31, 2025)

(% figures show year-on-year change for the full year and quarter)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	6,696	(13.6)	1,306	(17.2)	1,319	(19.5)	906	(19.9)	82.85

(Note) 1. Amendment to forecasts of financial results recently announced: Yes

2. The Company has implemented an ESOP and Directors' stock compensation plan both in the form of stock benefit trusts. Accordingly, profit per share is calculated based on the average number of shares during the fiscal year, excluding the number of treasury shares, which includes Inter Action stock held by the stock benefit ESOP trust accounts and Directors' compensation stock benefit trust accounts.

* **Notes**

(1) Significant changes in the scope of consolidation during the period: None
Newly included: – companies (Company name: –) Excluded: – companies (Company name: –)

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement
(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
(ii) Changes in accounting policies due to other reasons: None
(iii) Changes in accounting estimates: None
(iv) Restatements: None
(Note) For details, refer to page 9 of the attached materials, "2. Semi-annual Consolidated Financial Statements and Notes (4) Note regarding the semi-annual consolidated financial statements (Changes in accounting policies)."

(4) Number of shares issued (common shares)
(i) Number of shares outstanding at end of period (including treasury shares)

As of November 30, 2024	11,510,200 shares
As of May 31, 2024	11,510,200 shares

(ii) Number of treasury shares at end of period

As of November 30, 2024	539,407 shares
As of May 31, 2024	617,607 shares

(iii) Average number of shares during period

For the six months ended November 30, 2024	10,923,874 shares
For the six months ended November 30, 2023	10,859,142 shares

(Note) The Company has implemented an ESOP and Directors' stock compensation plan both in the form of stock benefit trusts. Accordingly, treasury shares, as stated, include Inter Action stock held by the stock benefit ESOP trust accounts and Directors' compensation stock benefit trust accounts.

* Semi-annual financial results are not subject to auditing by a certified public accountant or an audit firm.

* Proper use of earnings forecasts, and other special matters

The above forecasts of consolidated financial results are based on certain assumptions on economic situation, market trends, etc. deemed to be reasonable when the forecasts were made. Consequently, actual results may differ from the forecasts due to a variety of future factors. For details of the above forecasts, refer to "(3) Explanation of forward-looking information including consolidated earnings forecasts" under "1. Qualitative Information on Operating Results" (page 3) of the Attached Materials.

[Attached Materials]

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1. Qualitative Information on Operating Results

(1) Explanation of semi-annual operating results

Net sales and operating profit in the Inter Action Group's financial results for the first six months of the consolidated fiscal year under review rose year on year. This is mainly due to strong sales of the products in the Internet of things related works segment and the Industry 4.0 segment.

As a result of these business activities, the Inter Action Group's financial results for the first six months of the consolidated fiscal year under review were as follows. Net sales rose by 35.8% to 4,044 million yen (compared with 2,979 million yen in the previous fiscal year); gross profit rose by 72.5% to 1,976 million yen (compared with 1,145 million yen in the previous fiscal year), largely due to the increase in net sales; operating profit rose by 200.7% to 1,182 million yen (compared with 393 million yen in the previous fiscal year); ordinary profit rose by 167.7% to 1,175 million yen (compared with 439 million yen in the previous fiscal year); and profit attributable to owners of parent excluding income taxes rose by 206.0% to 825 million yen (compared with 269 million yen in the previous fiscal year).

The overall performance of each business segment was as follows.

(Internet of things related works)

During the first six months of the consolidated fiscal year under review, net sales to this segment's external customers rose by 64.8% year on year to 2,699 million yen (compared with 1,637 million yen in the previous fiscal year), and segment profit increased by 136.3% to 1,504 million yen (compared with 636 million yen in the previous fiscal year). This reflects strong sales of inspection illuminators for domestic customers and pupil lens modules.

(Environmental energy related works)

During the first six months of the consolidated fiscal year under review, net sales to this segment's external customers fell by 25.4% to 348 million yen (compared with 466 million yen in the previous fiscal year), and segment profit fell by 74.6% to 4 million yen (compared with 18 million yen in the previous fiscal year). This is attributable to sluggish sales of main units in the drying deodorizer area and sluggish sales also of main units and maintenance projects in the exhaust gas treatment system area.

(Promotion business of Industry 4.0)

During the first six months of the consolidated fiscal year under review, net sales to this segment's external customers rose by 14.0% to 996 million yen (compared with 874 million yen in the previous fiscal year), and the segment profit increased by 727.3% to 130 million yen (compared with 15 million yen in the previous fiscal year). This reflects strong sales of the highly profitable products mainly in the precision vibration isolation systems area.

(2) Explanation of semi-annual financial position

1) Assets, Liabilities and Net Assets

As of the end of the second quarter of the consolidated fiscal year under review, net assets amounted to 14,039 million yen, an increase of 393 million yen compared with the end of the previous consolidated fiscal year.

Current assets amounted to 12,675 million yen, an increase of 367 million yen compared with the end of the previous consolidated fiscal year. This is mainly attributable to a 1,942 million yen increase in cash and deposits, despite a 1,067 million yen decrease in electronically recorded monetary claims–operating and 546 million yen decrease in work in process.

Non-current assets amounted to 1,364 million yen, an increase of 26 million yen compared with the end of the previous consolidated fiscal year.

As of the end of the second quarter of the consolidated fiscal year under review, liabilities amounted to 2,285 million yen, a decrease of 324 million yen compared with the end of the previous consolidated fiscal year. This is mainly attributable to decreases respectively of 107 million yen in notes and accounts payable – trade, 125 million yen in advances received (other current liabilities), and 51 million yen in provision for share awards for directors (and other officers).

As of the end of the second quarter of the consolidated fiscal year under review, net assets amounted to 11,754 million yen, an increase of 718 million yen compared with the amount held at the end of the previous consolidated fiscal year. This is mainly attributable to recording of profit attributable to owners of parent of

825 million yen and a 179 million yen decrease in treasury shares, despite year-end dividends of 276 million yen in the previous fiscal year.

Note that the "Accounting Standard for Current Income Taxes" and related accounting guidance are applied from the beginning of the first quarter of the consolidated fiscal year under review. With respect to the figures related to the end of the previous consolidated fiscal year, comparison and analysis are performed based on the figures after retrospective application.

2) Cash flows

At the end of the consolidated cumulative second quarter of the fiscal year under review, cash and cash equivalents amounted to 8,255 million yen, which is an increase of 1,942 million yen in comparison to the balance at the end of the previous consolidated fiscal year.

The status of each type of cash flow for the consolidated second quarter of the fiscal year under review is as follows.

(Cash flow from operating activities)

Net cash provided by operating activities during the consolidated second quarter of the fiscal year under review amounted to 2,332 million yen (in comparison with net cash provided by operating activities of 401 million yen in the previous fiscal year). This is mainly a result of having recorded 1,175 million yen in profit before income taxes, a decrease of 981 million yen in trade receivables, and a decrease of 505 million yen in inventories, despite 298 million yen in income taxes paid.

(Cash flow from investing activities)

Net cash used in investing activities during the consolidated second quarter of the fiscal year under review amounted to 84 million yen (in comparison with net cash used in operating activities of 77 million yen in the previous fiscal year). This is mainly a result of having recorded 62 million yen in purchase of property, plant and equipment.

(Cash flow from financing activities)

Net cash used in financing activities during the consolidated second quarter of the fiscal year under review amounted to 270 million yen (in comparison with net cash used by financing activities of 283 million yen in the previous fiscal year). This is mainly a result of having recorded 276 million yen in cash dividends paid.

(3) Explanation of forward-looking information including consolidated earnings forecasts

In light of recent business performance, we have revised the full-year consolidated earnings forecasts for the fiscal year ending May 31, 2025 disclosed on October 11, 2024. For details, please refer to "Notice of Publication Regarding Revision to Full-Year Consolidated Earnings Forecasts for the Fiscal Year Ending May 31, 2025" released today (January 10, 2025).

Note that this full-year earnings forecast could change depending on factors such as social conditions and market trends in Japan and overseas. Actual results could differ from the forecasts depending on a range of factors.

2. Semi-annual Consolidated Financial Statements and Notes

(1) Semi-annual consolidated balance sheets

(Unit: Thousands of yen)

	As of May 31, 2024	As of November 30, 2024
Assets		
Current assets		
Cash and deposits	6,324,492	8,266,825
Notes and accounts receivable–trade	1,138,039	1,108,832
Electronically recorded monetary claims–operating	2,352,792	1,285,359
Operational investment securities	41,958	42,895
Merchandise and finished goods	167,729	139,967
Work in process	1,579,954	1,033,188
Raw materials and supplies	686,873	719,474
Other	85,612	79,966
Allowance for doubtful accounts	(69,519)	(1,096)
Total current assets	12,307,932	12,675,411
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	231,488	245,815
Land	165,149	165,149
Other, net	240,897	250,601
Total property, plant and equipment	637,535	661,566
Intangible assets		
Goodwill	88,196	70,777
Other	54,620	61,265
Total intangible assets	142,816	132,042
Investments and other assets		
Investment securities	130,489	130,478
Other	438,981	450,858
Allowance for doubtful accounts	(11,967)	(10,753)
Total investments and other assets	557,503	570,583
Total non-current assets	1,337,854	1,364,192
Total assets	13,645,787	14,039,604

(Unit: Thousands of yen)

	As of May 31, 2024	As of November 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable–trade	432,564	324,795
Short-term borrowings	440,000	440,000
Current portion of long-term borrowings	59,936	57,936
Income taxes payable	324,156	347,877
Provision for product warranties	10,709	15,481
Provision for share awards for directors (and other officers)	181,900	130,600
Other	697,040	548,966
Total current liabilities	2,146,306	1,865,657
Non-current liabilities		
Long-term borrowings	306,982	279,214
Provision for share awards	11,761	12,175
Retirement benefit liability	116,699	103,869
Asset retirement obligations	10,150	10,150
Other	17,754	14,386
Total non-current liabilities	463,348	419,794
Total liabilities	2,609,655	2,285,452
Net assets		
Shareholders' equity		
Share capital	1,760,299	1,760,299
Capital surplus	3,352,578	3,352,578
Retained earnings	6,861,637	7,410,066
Treasury shares	(983,327)	(803,514)
Total shareholders' equity	10,991,188	11,719,430
Accumulated other comprehensive income		
Foreign currency translation adjustment	44,944	34,722
Total accumulated other comprehensive income	44,944	34,722
Total net assets	11,036,132	11,754,152
Total liabilities and net assets	13,645,787	14,039,604

(2) Semi-annual consolidated statements of income and consolidated statements of comprehensive income

(Semi-annual consolidated statements of income)

(June 1, 2024 – November 30, 2024)

(Unit: Thousands of yen)

	Six months ended November 30, 2023	Six months ended November 30, 2024
Net sales	2,979,016	4,044,395
Cost of sales	1,833,169	2,068,366
Gross profit	1,145,846	1,976,029
Selling, general and administrative expenses	752,612	793,769
Operating profit	393,234	1,182,259
Non-operating income		
Interest income	9,000	15,339
Dividend income	120	120
Income from assets for rent	8,220	10,020
Foreign exchange gains	20,712	—
Other	17,910	4,570
Total non-operating income	55,963	30,050
Non-operating expenses		
Interest expenses	2,761	3,500
Expenses of assets for rent	4,283	3,754
Foreign exchange losses	—	24,335
Other	2,971	4,820
Total non-operating expenses	10,015	36,410
Ordinary profit	439,182	1,175,899
Extraordinary income		
Gain on sale of non-current assets	27	–
Total extraordinary income	27	–
Extraordinary losses		
Loss on retirement of non-current assets	538	233
Total extraordinary losses	538	233
Profit before income taxes	438,671	1,175,666
Income taxes–current	99,439	322,426
Income taxes–deferred	69,582	27,990
Total income taxes	169,021	350,416
Profit	269,649	825,249
Profit attributable to owners of parent	269,649	825,249

(Semi-annual consolidated statements of comprehensive income)
(June 1, 2024 – November 30, 2024)

(Unit: Thousands of yen)

	Six months ended November 30, 2023	Six months ended November 30, 2024
Profit	269,649	825,249
Other comprehensive income		
Foreign currency translation adjustment	24,423	(10,221)
Total other comprehensive income	24,423	(10,221)
Comprehensive income	294,072	815,028
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	294,072	815,028
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated statement of cash flows

(Unit: Thousands of yen)

	Six months ended November 30, 2023 (June 1, 2023 to November 30, 2023)	Six months ended November 30, 2024 (June 1, 2024 to November 30, 2024)
Cash flows from operating activities		
Profit before income taxes	438,671	1,175,666
Depreciation	69,216	60,493
Amortization of goodwill	24,421	17,418
Increase (decrease) in allowance for doubtful accounts	(5,069)	(69,622)
Increase (decrease) in provision for product warranties	(1,417)	4,776
Increase (decrease) in provision for share awards	889	413
Increase (decrease) in provision for share awards for directors (and other officers)	(119,000)	(51,300)
Increase (decrease) in retirement benefit liability	5,342	(12,765)
Interest and dividend income	(9,120)	(15,460)
Interest expenses on borrowings and guarantee commission	2,761	3,500
Foreign exchange losses (gains)	(20,515)	26,803
Loss on retirement of property, plant and equipment	538	233
Loss (gain) on sale of property, plant and equipment	(27)	—
Loss on valuation of inventories	10,891	21,131
Decrease (increase) in trade receivables	212,092	981,441
Decrease (increase) in inventories	13,679	505,464
Decrease (increase) in investment securities for sale	169	(937)
Increase (decrease) in trade payables	(16,842)	(111,295)
Other, net	60,580	83,262
Subtotal	667,262	2,619,224
Interest and dividends received	9,120	15,460
Interest and guarantee commission received	(2,817)	(3,563)
Income taxes paid	(272,441)	(298,766)
Net cash provided by (used in) operating activities	401,123	2,332,355
Cash flows from investing activities		
Payments into time deposits	(2,400)	—
Purchase of property, plant and equipment	(62,683)	(62,284)
Proceeds from sale of property, plant and equipment	27	—
Purchase of investment securities	(14,448)	(21,744)
Payments of leasehold deposits	(17)	(9)
Proceeds from refund of leasehold deposits	2,443	18
Net cash provided by (used in) investing activities	(77,078)	(84,020)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	100,000	—
Repayments of long-term borrowings	(127,828)	(29,768)
Repayments of finance lease liabilities	(4,908)	(3,322)
Purchase of treasury shares	(113,643)	—
Proceeds from sale of treasury shares	137,615	41,041
Dividends paid	(273,093)	(276,025)
Other	(2,005)	(2,506)
Net cash provided by (used in) financing activities	(283,863)	(270,580)
Effect of exchange rate change on cash and cash equivalents	29,366	(35,420)
Net increase (decrease) in cash and cash equivalents	69,547	1,942,332
Cash and cash equivalents at beginning of period	6,852,995	6,312,905
Cash and cash equivalents at end of period	6,922,543	8,255,238

(4) Note regarding the semi-annual consolidated financial statements

(Changes in accounting policies)

(Application of Accounting Standard for Current Income Taxes, etc.)

The Company has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022) and related accounting guidance from the beginning of the first six months of the fiscal year under review.

With regard to revisions related to changes in the accounting treatment for consolidated financial statements when gains/losses on sale of shares, etc. in subsidiaries resulting from transactions between consolidated subsidiaries are deferred for tax purposes, the Company has applied the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022) from the beginning of the first six months of the fiscal year under review. The change in accounting policies was applied retrospectively to the consolidated financial statements for the first six months of the previous fiscal year and the entire previous fiscal year. As a result, because the cumulative effect was reflected in net assets as of the beginning of the previous fiscal year, retained earnings as of the beginning of the previous fiscal year decreased by 8,114 thousand yen. The change had no impact on profit before income taxes in the first six months of the fiscal year of the previous fiscal year.

(Notes on segment information)

(Segment information)

I. For the first six months of the fiscal year ended May 31, 2024 (June 1, 2023 to November 30, 2023)

1. Information on net sales and the amount of profits (losses) by reportable segment

(Unit: Thousands of yen)

	Internet of things related works	Environmental energy related works	Promotion business of Industry 4.0	Total
Net sales				
Sales to external customers	1,637,869	466,567	874,580	2,979,016
Intra-segment internal sales and transfer amount	—	—	—	—
Total	1,637,869	466,567	874,580	2,979,016
Segment profit	636,957	18,814	15,795	671,567

2. Difference between total amount of profits (losses) of reportable segments and the corresponding amount reported in the semi-annual consolidated statements of income, and the key components of such difference (reconciliation)

(Unit: Thousands of yen)

Income	Amount
Total of reportable segments	671,567
Company-wide expenses(Note)	(267,483)
Inter-segment eliminations	42
Adjustment of inventories	(10,891)
Operating profit in the semi-annual consolidated statements of income	393,234

(Note) Company-wide expenses mainly consist of expenses incurred by the Company's head office administrative operations that are not attributable to the reportable segments.

3. Information on impairment loss for non-current assets or goodwill of each reportable segment

No items to report.

II. For the first six months of the fiscal year ending May 31, 2025 (June 1, 2024 to November 30, 2024)

1. Information on net sales and the amount of profits (losses) by reportable segment

(Unit: Thousands of yen)

	Internet of things related works	Environmental energy related works	Promotion business of Industry 4.0	Total
Net sales				
Sales to external customers	2,699,554	348,054	996,787	4,044,395
Intra-segment internal sales and transfer amount	—	—	—	—
Total	2,699,554	348,054	996,787	4,044,395
Segment profit	1,504,921	4,770	130,668	1,640,360

2. Difference between total amount of profits (losses) of reportable segments and the corresponding amount reported in the semi-annual consolidated statements of income, and the key components of such difference (reconciliation)

(Unit: Thousands of yen)

Income	Amount
Total of reportable segments	1,640,360
Company-wide expenses(Note)	(436,969)
Inter-segment eliminations	0
Adjustment of inventories	(21,131)
Operating profit in the semi-annual consolidated statements of income	1,182,259

(Note) Company-wide expenses mainly consist of expenses incurred by the Company's head office administrative operations that are not attributable to the reportable segments.

3. Information on impairment loss for non-current assets or goodwill of each reportable segment

No items to report.

(Notes on significant changes in the amount of shareholders' equity)

The main changes during the first six months of the consolidated fiscal year under review were sale of 34,700 shares (80,109 thousand yen) of the Company's stock for payment of cash benefits to eligible beneficiaries in connection with the Board Benefit Trust, and grant of 43,100 shares (99,502 thousand yen) of the Company's stock to eligible beneficiaries.

As a result of the foregoing, treasury shares decreased by 179,812 thousand yen to 803,514 thousand yen as of the end of the first six months of the consolidated fiscal year under review.

(Notes on premise of going concern)

No items to report.

(Additional information)

(Stock benefit trust system that delivers company shares to employees through the trust)

1. Overview of transactions

The Company has adopted an incentive plan "Employee Stock Ownership Plan (J-ESOP)" (hereinafter, "the System") for employees that offers them a stake in the Company's shares. We hope this will help to enhance employee motivation and morale, and thereby the Company's stock price and performance, by increasing the correlation between our stock price, business performance, and the treatment of employees, and sharing the economic effects with our shareholders.

The system is a mechanism for distributing the Company's shares to employees that meet certain criteria in accordance with the stock benefit regulations established in advance by the Company. The Company will award employees points according to their personal contribution, etc. and distribute shares equivalent to the points awarded when the entitlement is gained under certain conditions.

2. Shares of the company remaining in trust

Company shares remaining in trust are to be recorded at book value as “treasury shares” (excluding the amount of incidental costs) under net assets. The treasury shares in question had a book value of 13,285 thousand yen (26,500 shares) at the end of the previous fiscal year and 13,085 thousand yen (26,100 shares) at the end of the first six months of the consolidated fiscal year under review.

(A performance-linked stock compensation system that distributes the company's shares via a trust to the directors)

1. Overview of transactions

We have adopted a “Board Benefit Trust” (hereinafter, “BBT”) that awards the Company’s shares to directors. The purpose of the BBT is to further clarify the correlation between the remuneration of directors and the Company’s performance and stock value. We hope this will not only contribute to boosting the stock price, but also contribute to increasing awareness of the importance of improving earnings and expanding corporate value over the longer term by sharing the risk of stock price downside with shareholders.

In the BBT system, the Company’s stock is acquired through a trust using funds contributed by the Company. The BBT is a performance-based stock compensation plan in which the Company’s stock is paid annually through a trust based on points granted to directors in accordance with their position and performance based on the director stock benefit regulations established by the Board of Directors.

2. Shares of the company remaining in trust

Company shares remaining in trust are to be recorded at book value as “treasury shares” (excluding the amount of incidental costs) under net assets. The treasury shares in question had a book value of 354,902 thousand yen (153,728 shares) at the end of the previous fiscal year and 175,290 thousand yen (75,928 shares) at the end of the first six months of the consolidated fiscal year under review.

(Revenue recognition-related information)

Disaggregated information on revenue from contracts with customers

I. For the first six months of the fiscal year ended May 31, 2024 (June 1, 2023 to November 30, 2023)

(Unit: Thousands of yen)

	Internet of things related works	Environmental energy related works	Promotion business of Industry 4.0	Total
Goods transferred at a point in time	1,637,869	464,736	874,580	2,977,186
Goods transferred over time	—	—	—	—
Revenue from contracts with customers	1,637,869	464,736	874,580	2,977,186
Other revenue(Note)	—	1,830	—	1,830
Sales to external customers	1,637,869	466,567	874,580	2,979,016

(Note) Other revenue is that recognized in “Accounting Standard for Financial Instruments” (Accounting Standards Board of Japan (ASBJ) Statement No. 10).

II. For the first six months of the fiscal year ending May 31, 2025 (June 1, 2024 to November 30, 2024)

(Unit: Thousands of yen)

	Internet of things related works	Environmental energy related works	Promotion business of Industry 4.0	Total
Goods transferred at a point in time	2,699,554	345,617	995,937	4,041,108
Goods transferred over time	—	—	849	849
Revenue from contracts with customers	2,699,554	345,617	996,787	4,041,958
Other revenue(Note)	—	2,437	—	2,437
Sales to external customers	2,699,554	348,054	996,787	4,044,395

(Note) Other revenue is that recognized in “Accounting Standard for Financial Instruments” (Accounting Standards Board of Japan (ASBJ) Statement No. 10).

3. Supplementary Explanation of Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending May 31, 2025

(1) Status of orders

1) Orders received

Segment	First six months of the previous consolidated fiscal year (June 1, 2023 to November 30, 2023)		First six months of the current consolidated fiscal year (June 1, 2024 to November 30, 2024)		Change	
	Amount of orders received (Thousands of Yen)	Backlog of orders (Thousands of Yen)	Amount of orders received (Thousands of Yen)	Backlog of orders (Thousands of Yen)	Amount of orders received (Thousands of Yen)	Backlog of orders (Thousands of Yen)
Internet of things related works	2,261,775	2,272,928	1,396,134	1,069,742	(865,640)	(1,203,186)
Environmental energy related works	432,248	748,967	279,143	422,547	(153,104)	(326,419)
Promotion business of Industry 4.0	770,233	269,466	892,070	291,979	121,836	22,512
Total	3,464,257	3,291,362	2,567,349	1,784,269	(896,908)	(1,507,093)

(Note) The above amounts do not include results of the operations which engage in make-to-stock production.